



Protection, Inc.

411 West 7200 South, Suite 103 • Midvale, Utah 84047 • Telephone (801) 255-3586

RECEIVED

JUL 23 1981

DIVISION OF
OIL, GAS & MINING

July 21, 1981

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1588 West North Temple
Salt Lake City, Utah 84116

Re: Western International

Gentlemen:

This is to verify insurance coverage for Western International Corp. which is effective 7-15-81 to 7-15-82.

Liability coverage consists of:

\$1,000,000	CSL
\$ 1,000	Medical-Per Person
\$ 10,000	Medical-Per Accident
Completed operations	
\$ 90,000	Mining Surfaces 500,000 Tons

Contractors Equipment - All Risk - \$442,495.00

Yours truly,

Jolene Rasmussen



GENERAL CONTRACT
OF INDEMNITY

THE AETNA CASUALTY AND SURETY COMPANY

Hartford, Connecticut 06115

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JUL 23 1981

DIVISION OF

OIL, GAS & MINING

We, the undersigned, hereinafter referred to as Indemnitors, hereby request THE AETNA CASUALTY AND SURETY COMPANY, hereinafter referred to as Aetna, to furnish instruments of suretyship, hereinafter referred to as Bonds, and as an inducement therefor we make the following representations of fact, promises and agreements.

REPRESENTATIONS OF FACT:

- A. In the transaction of business one, some or all of the Indemnitors are required, or may desire, to give such Bonds.
- B. The Indemnitors and each of them have a substantial and beneficial interest in the giving of such Bonds.

PROMISES AND AGREEMENTS: In consideration of the furnishing of any such Bond by Aetna and for other valuable considerations the Indemnitors hereby jointly and severally promise and agree as follows:

- 1. To pay all premiums for each such Bond, as they fall due, and until Aetna has been provided with competent legal evidence that the Bond has been exonerated and discharged.
- 2. To indemnify and exonerate Aetna from and against any and all loss and expense of whatever kind, including interest, court costs and counsel fees, hereinafter referred to as Loss, which it may incur or sustain as a result of or in connection with (1) the furnishing of any Bond; (2) the enforcement of this agreement. To this end Indemnitors promise:
 - (a) To promptly reimburse Aetna for all sums paid on account of such Loss and it is agreed that (1) originals or photocopies of claim drafts, or of payment records kept in the ordinary course of business, including computer printouts, verified by affidavit, shall be prima facie evidence of the fact and amount of such Loss, (2) Aetna shall be entitled to reimbursement for any and all disbursements made by it in good faith, under the belief that it was liable, or that such disbursement was necessary or expedient.
 - (b) To deposit with Aetna on demand the amount of any reserve against such Loss which Aetna is required, or deems it prudent to establish, whether on account of an actual liability or one which is, or may be, asserted against it, and whether or not any payment for such Loss has been made.
- 3. This agreement shall apply to Bonds furnished as follows:
 - (a) By the Aetna as surety, or where procured by Aetna, by any other surety or co-surety, in which event such surety or co-surety shall also have the benefit of this agreement and the right to proceed thereon.
 - (b) For or on behalf of any of the following:
 - (1) One, some or all of the Indemnitors,
 - (2) Any joint venture or other form of common enterprise in which at the time its bond was furnished, such Indemnitor or Indemnitors was a member.
 - (3) Any present or future affiliate or subsidiary of such Indemnitor or Indemnitors.
 - (c) At any time before this agreement shall have been terminated, including any Bond or Bonds which may have been furnished before the date hereof.
- 4. The validity and effect of this General Contract of Indemnity shall not be impaired by, Aetna shall incur no liability on account of, and the Indemnitors need not be notified of:
 - (a) Aetna's failure or refusal to furnish any Bond, including final bond or bonds where Aetna has furnished a bid bond.
 - (b) Aetna's consent or failure to consent to changes in the terms and provisions of any Bond, of the obligation or performance secured by any Bond.
 - (c) The taking, failing to take, or release of security, collateral, assignment, indemnity agreements and the like, as to any Bond.
 - (d) The release by Aetna, on terms satisfactory to it, of any of the Indemnitors.
 - (e) Information which may come to the attention of Aetna which affects or might affect its rights and liabilities or those of the Indemnitors or any of them.

- IMPORTANT:** The Signature of each and every party to this instrument must be witnessed by at least one disinterested person.

By _____ (Seal)
(Print or type Name and Title)

(If Indemnitor an Individual, sign below)

Witness' signature _____
(Print or type name)

Dennis K. Engle (L.S.)
(Individually) (Print or type name)

Witness' signature _____
(Print or type name)

James K Engle (L.S.)
(Individually) (Print or type name)

Witness' signature _____
(Print or type name)

Chari Engle (L.S.)
(Individually) (Print or type name)

Witness' signature _____
(Print or type name)

Chari Creek (L.S.)
(Individually) (Print or type name)

Witness' signature _____
(Print or type name)

(L.S.)

(Individually) (Print or type name)

Witness' signature _____
(Print or type name)

(L.S.)

(Individually) (Print or type name)

Witness' signature _____
(Print or type name)

(L.S.)

(Individually) (Print or type name)

Witness' signature _____
(Print or type name)

(L.S.)

(Individually) (Print or type name)

(If Indemnitor a Partnership, sign below)

Silver Maple Partnership

(Name of Partnership)

Witness' signature _____
(Print or type name)

Partner's signature _____ (L.S.)
(Print or type name)

Witness' signature _____
(Print or type name)

Partner's signature _____ (L.S.)
(Print or type name)

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slightly textured appearance and some minor discoloration or aging marks.

[illegible]

CERTIFIED COPY OF RESOLUTION

At a regular/special meeting of the Board of Directors of

duly called and held on the _____ day of _____, 19____,
a quorum being present, the following Resolution was adopted:

"WHEREAS, this Company is materially interested in the transaction(s) in which (1)

has applied or will apply to THE AETNA CASUALTY AND SURETY COMPANY for bond(s) or undertaking(s); and

WHEREAS, THE AETNA CASUALTY AND SURETY COMPANY has executed or is willing to consider the execution of such bond(s) or undertaking(s), as surety, upon being furnished with the written indemnity of this Company;

THEREFORE BE IT RESOLVED, that (2)

of the Company be and hereby is (are) authorized to execute on behalf of the Company, any agreement or agreements of indemnity required by THE AETNA CASUALTY AND SURETY COMPANY as a prerequisite to the execution by it of the bond(s) or undertaking(s) for (1)

in connection with the matter(s) and transaction(s) described in the agreement of indemnity required by said THE AETNA CASUALTY AND SURETY COMPANY, and the proper attesting officer of the Company be and hereby is authorized to affix the corporate seal to such agreement or agreements of indemnity and subscribe his/her name thereto, attesting the same."

I, _____ Secretary of
have compared the foregoing Resolution with the original thereof, as recorded in the Minute Book of said Company, and do certify that the same is a correct and true transcript therefrom and of the whole of said original Resolution.

Given under my hand and seal of the Company

in the City of _____

State of _____

this _____ day of _____, 19____

Secretary

(1) Insert name and address of Principal or Applicant.

(2) Insert name and title of officer(s).



APPLICATION FOR CONTRACT
BOND AND AGREEMENT OF
INDEMNITY AND FOR SECURITY

THE AETNA CASUALTY AND SURETY COMPANY
Hartford, Connecticut 06115

Field Office

Bond Number

DENVER, COLORADO

The undersigned, hereinafter called Applicant, hereby applies to THE AETNA CASUALTY AND SURETY COMPANY, hereinafter called Aetna, for a bond or bonds, hereinafter called Bond, to be provided in connection with a contract, hereinafter called Contract, entered into, or to be entered into, between Applicant and

The performance required by the contract is referred to herein as the Project and is described as follows:

Location SILVER MAPLE MINE - CUMMIT COUNTY, UTAH

Description of Work REPROCESSING OLD MINE TAILINGS FOR RECOVERY OF GOLD & SILVER

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JUL 23 1981

If Award Has Been Made:

Date of Contract JULY 22, 1981

Contract Price \$83,241.00

DIVISION OF
OIL, GAS & MINING

In consideration of Aetna's providing the Bond and as an inducement therefor, Applicant Hereby:

1. Agrees to pay all premiums which fall due until the Bond has been exonerated and discharged and Aetna has been provided with competent legal evidence of this fact. The premium shall be at the rate in force as of the effective date of the Bond, as applied to the Contract amount, and will be adjusted to correspond with any increase or decrease of the Contract amount.
2. Agrees to exonerate and indemnify Aetna from and against any and all loss and expense of whatever kind including interest, court costs and counsel fees, hereinafter referred to as Loss, which it may incur or sustain as a result of or in connection with: (1) the providing of the Bond; (2) the enforcement of this agreement. To this end Applicant promises:
 - (a) To promptly reimburse Aetna for all sums paid on account of such Loss and it is agreed that (1) originals or photocopies of claim drafts, or of payment records kept in the ordinary course of business, including computer print-outs, verified by affidavit, shall be prima facie evidence of the fact and amount of such Loss, (2) Aetna shall be entitled to charge for disbursements made by it in good faith, under the belief that it was liable, or that such disbursement was necessary or expedient.
 - (b) To deposit with Aetna on demand the amount of any reserve against such Loss which Aetna is required, or deems it prudent to establish, whether on account of an actual liability or one which is, or may be, asserted against it, and whether or not any payment for such Loss has been made.

3. Grants to Aetna a security interest in:
 - (a) All tools, plant, equipment and materials of every nature and description used or needed for the Project.
 - (b) All sums which are and which may become payable to Applicant under or in connection with the Contract and all sums due or to become due from any source as a result of claims for damage and the like sustained or asserted by Applicant in connection with the Project.
4. Authorizes Aetna at its discretion and at anytime to file this Agreement as a Financing Statement under the Uniform Commercial Code.
5. Agrees that Aetna may enforce said security interests and may demand and secure possession of all property and funds subject thereto upon the happening of any of the following:
 - (a) Failure to pay premium for this Bond, or any other Bond, furnished by Aetna to Applicant, when due.
 - (b) If Applicant is an individual, upon his death, disappearance, incapacity or conviction of a felony.
 - (c) Default in the performance of, or in the payment of bills in connection with, the Contract, or of any other Contract for which Aetna has provided bond, whether or not such default is formally declared.
 - (d) Insolvency of Applicant.
 - (e) The bringing of any proceedings alleging the insolvency of Applicant.
 - (f) The bringing of any proceedings depriving Applicant of the use of any equipment used or needed in the work.
 - (g) Notice to Aetna of any fact or circumstance which it reasonably interprets as justification for the enforcement of its security rights.
6. Directs all persons or organizations from whom funds subject to this security agreement are or become payable to pay such funds to Aetna upon its demand, and relieves such persons and organizations from any responsibility for inquiry into the grounds for such demand.
7. Authorizes Aetna, in the event it enforces the security interests granted hereby, to exercise and enjoy all right and title of the Applicant with respect to:
 - (a) Tools, plant, equipment and materials used in or needed for the Project.
 - (b) Subcontracts and other agreements for the furnishing of labor, tools, plant, equipment and/or materials to be used in or for the Project.
8. Agrees that funds realized by Aetna through the exercise of the security rights granted hereby may be applied by the Aetna in discharge of the obligations of Applicant which are set forth in Paragraphs 2, 2(a) and 2(b) of this agreement, and to like obligations which may exist with respect to any other bond which Aetna may have issued for Applicant.
9. Agrees that Aetna may procure the Bond herein applied for from other surety or sureties, or that Aetna may arrange for participation by other surety or sureties as co-surety, and that in either event such other surety or sureties shall have the benefit of this agreement and the right to enforce it.
10. Agrees that the validity and effect of this agreement shall not be impaired by, and neither Applicant nor Indemnitor(s) need be notified of, the Aetna's consent or failure to consent, to changes in the terms and provisions of the Bond, or of any obligation or performance secured by the Bond.
11. Waives notice of any fact or information coming to the attention of the Aetna which affects, or might affect, its rights and liabilities, or those of any other party hereto.
12. Agrees that rights under this agreement are supplemental to and not in derogation of Aetna's legal and equitable rights as Surety and that neither the filing of this agreement under the Uniform Commercial Code nor the assertion of rights hereunder shall be construed as a waiver of other rights, including the right of subrogation.

*THE DESIGNATIONS "DEBTOR" AND "SECURED PARTY" ARE USED IN ORDER TO COMPLY WITH THE UNIFORM COMMERCIAL CODE

CERTIFIED COPY OF RESOLUTION

At a regular/special meeting of the Board of Directors of

duly called and held on the _____ day of _____
a quorum being present, the following Resolution was adopted:

,19____,

"WHEREAS, this Company is materially interested in the transaction(s) in which (1)

has applied or will apply to THE AETNA CASUALTY AND SURETY COMPANY for bond(s) or undertaking(s); and

WHEREAS, THE AETNA CASUALTY AND SURETY COMPANY has executed or is willing to consider the execution of such bond(s) or undertaking(s), as surety, upon being furnished with the written indemnity of this Company;

THEREFORE BE IT RESOLVED, that (2)

of the Company be and hereby is (are) authorized to execute on behalf of the Company, any agreement or agreements of indemnity required by THE AETNA CASUALTY AND SURETY COMPANY as a prerequisite to the execution by it of the bond(s) or undertaking(s) for (1)

in connection with the matter(s) or transaction(s) described in the agreement of indemnity required by said THE AETNA CASUALTY AND SURETY COMPANY, and the proper attesting officer of the Company be and hereby is authorized to affix the corporate seal to such agreement or agreements of indemnity and subscribe his/her name thereto, attesting the same."

I, _____ Secretary of

have compared the foregoing Resolution with the original thereof, as recorded in the Minute Book of said Company, and do certify that the same is a correct and true transcript therefrom and of the whole of said original Resolution.

Given under my hand and seal of the Company

in the City of _____

State of _____

this _____ day of _____, 19____.

Secretary

(1) Insert name and address of Principal or Applicant.

(2) Insert name and title of officer(s).

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JUL 23 1981

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING
1588 West North Temple
Salt Lake City, Utah 84116

DIVISION OF
OIL, GAS & MINING

THE MINED LANDS RECLAMATION ACT

BOND

KNOW ALL MEN BY THESE PRESENCE, that the undersigned Western International Corp. as principal, and Aetna Casualty & Surety Co. as surety, are held and firmly bound unto the State of Utah, Division of Oil, Gas, and Mining, in the penal sum of Eighty three thousand two hundred forty one 00/100 dollars (\$83,241.00) for the payment of which sum, will and truly be made, we hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH that whereas the above named principal did on the 22nd day of July 1981, file with the Division of Oil, Gas, and Mining a "Notice of Intention to Commence Mining Operations" and a "Mining and Reclamation Plan", to secure authorization to engage in mining operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act; that in said Notice the principal estimated that 13 acres of land will be affected by mining. Said land is described as follows in Exhibit "A" attached hereto.

NOW, if the said principal shall satisfactorily reclaim the above mentioned lands affected by mining by said principal in accordance with the Mining and Reclamation Plan and shall faithfully perform all requirements of the Mined Land Reclamation Act, and comply with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect until the reclamation is completed as outlined in the approved Mining and Reclamation Plan.

If the said approved plan provides for reclamation of the land affected on a piecemeal or cyclic basis, and said land is reclaimed in accordance with such plan, then this bond may be reduced periodically.

In the converse, if the said plan provides for a gradual increase in the area of the land affected or increased reclamation work, then this bond may accordingly be increased with the written approval of the surety company.

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officers with the seal of the corporation affixed.

WESTERN INTERNATIONAL CORP.Principal (Company)Date: 7-22-81By: James K. Engle
Company Official - positionAETNA CASUALTY & SURETY COMPANYSurety (Company)Date: 7-22-81By: Polene B. Morrison
Official of Surety - Position

Attorney-in-Fact

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DIVISION OF
OIL, GAS & MINING



POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, THAT THE AETNA CASUALTY AND SURETY COMPANY, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, hath made, constituted and appointed, and does by these presents make, constitute and appoint **Lynn L. Armitstead, Richard E. Lorange or Jolene Rasmussen - -**

of **Midvale, Utah**, its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated, the following instrument(s):
by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any and all consents incidents thereto

and to bind THE AETNA CASUALTY AND SURETY COMPANY, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of THE AETNA CASUALTY AND SURETY COMPANY, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Company which Resolutions are now in full force and effect:

VOTED: That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Resident Vice Presidents, Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Senior Vice President, a Vice President, an Assistant Vice President or by a Resident Vice President, pursuant to the power prescribed in the certificate of authority of such Resident Vice President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Board of Directors of THE AETNA CASUALTY AND SURETY COMPANY which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, THE AETNA CASUALTY AND SURETY COMPANY has caused this instrument to be signed by its **Assistant Vice President**, and its corporate seal to be hereto affixed this **29th** day of **January**, 19 **81**



THE AETNA CASUALTY AND SURETY COMPANY

By **R. T. Rippe**
Assistant Vice President

State of Connecticut }
County of Hartford } ss. Hartford

On this **29th** day of **January**, 19 **81**, before me personally came **R. T. RIPPE**, to me known, who, being by me duly sworn, did depose and say: that he/she is **Assistant Vice President** of THE AETNA CASUALTY AND SURETY COMPANY, the corporation described in and which executed the above instrument; that he/she knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; and that he/she executed the said instrument on behalf of the corporation by authority of his/her office under the Standing Resolutions thereof.



Johanna M. Degnam
My commission expires March 31, 19 **84** Notary Public

CERTIFICATE

I, the undersigned, **Secretary** of THE AETNA CASUALTY AND SURETY COMPANY, a stock corporation of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Board of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this **22nd** day of **July**, 19 **81**



By **One G. A. Wall**
Secretary